

E-01345A-10-0394

E-01345A-12-0290

E-01933A-12-0296

E-04204A-12-0297

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Arizona Corporation Commission

DOCKETED

Re: APS proposal to NetMetering Docket #E-01345A-12-0290

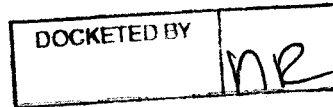
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AZ CORP COMMISSION  
DOCKET CONTROL

July 16, 2013



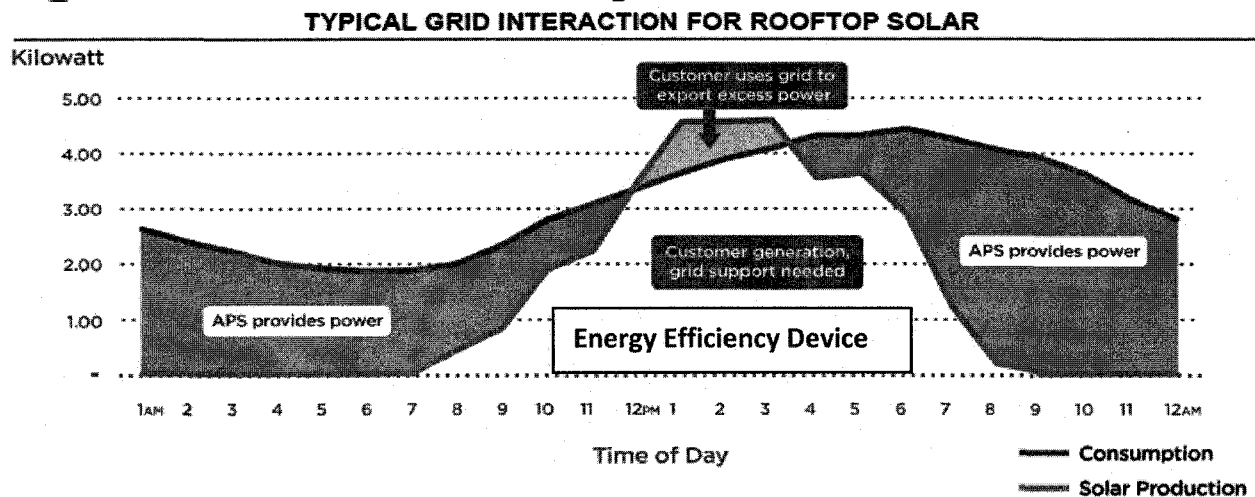
Bob Stump,

I do NOT agree with APS proposal to cut NetMetering system in place. The APS proposal amounts to killing job creation and job diversification in Arizona. These are two things we really need in this State. The other key factor is they are renegeing on promises made to solar owners. We have abundant sunshine and we should not be taxing individuals to use it! I've heard the Governor applaud our adoption of solar and that we should be the Solar State of America. This does not support that goal.

They did not follow the spirit of ACC's decree to investigate NetMetering. While they hosted the meetings, answered a few questions, they did not internalize the damage to Arizonians and our fragile economy. As it is right now, many renewable energy companies (beyond just PV companies) are avoiding Arizona. We are telling everyone: Arizona is not friendly to new business development!

Top issues:

- 1) They are being deceptive on their mathematics and claims. To use their terms (APS chart below), customer generation does NOT need grid support. In many cases, a solar system generates and the house simultaneously uses that energy (labeled below: Energy Efficient Appliance). This is basically an expensive Energy Efficient appliance. Much like adding energy efficient light bulbs, washing machines, windows etc... APS does not ask customers to reimbursement them for using less power. Although some of them think they should raise "fixed costs" to compensate! Come on ... this is ridiculous.



2) IF you look at APS's chart, it is clear that only a small percentage of energy is actually exported. They make it sound like every solar system is massively exporting energy.

- a. As a point of clarification: In the existing rate structure, APS pays out any annual exports at a fraction of the NetMetering rates. It is approximately \$0.07/kWhr.

**ACTION: APS should provide a year by year calculation of exactly how much money was paid for annual Solar over production (\$ and % of total residential production).**

- b. By the way, I actually support this annual payout calculation, as it is fair for everyone. APS gets to sell power at existing "On peak" rates and it only costs them ~\$0.07/kWhr. If they sell it at \$0.24/kWhr, then their gross margin is 70.8%. This is a very reasonable rate of return. This also incentivizes home owners to size their system correctly. If it is too big, and you are exporting at the end of the year, then you should not reap the same benefits as NetMetering.
- c. I think we all forget that home owned solar systems in Arizona still cost a lot of money! The breakeven under today's plan is still ~8-12 years (which factors in the ITC and AZ tax credit).

3) It bothers me to even discuss grandfather clauses as it seems to justify their proposal. Again, I do not support their position. Grandfather clause should include:

- a. Support for the life of the system (systems are designed to last 25-30 years and it will cost money to replace some components, for instance, Inverters).
- b. The rates plans, such as 9am-9pm Time of day plan, should be rolled over to new homeowner. This was a key part of the return on investment when I bought my system. They should not be able to cry foul now!

Again, this is bad for driving business in our State. If this is approved, AZ will be viewed as incompetent to the rest of the country, as we will not be able to reap benefit from our natural resources (the Sun). That would have been like Texas blocking oil development!

Remember, the President of the United States of America has stated we all need to do more to create a sustainable renewable environment. The world is watching our great nation to see if we really do walk the talk. Don't let this happen under your watch.

Please dismiss their proposal with prejudice. Make a public statement that at the surface this does not look like a viable plan, but that APS will be given their day to present to ACC. I would like to attend that session.

Kind Regards,

Michael A. Ludgate  
Solar owner (Not leased)  
Resident since 2003